

The House Committee on Ways and Means offers the following substitute to SB 65:

**A BILL TO BE ENTITLED  
AN ACT**

1 To amend Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to  
2 alternative ad valorem taxes on motor vehicles, so as to lower the tax rate imposed; to revise  
3 a definition; to provide that the transfer of a title from one legal entity in which an individual  
4 holds an ownership interest of at least 50 percent to another legal entity in which the same  
5 individual holds an ownership interest of at least 50 percent does not constitute a taxable  
6 event; to revise the date range for antique motor vehicles; to provide for related matters; to  
7 provide an effective date; to repeal conflicting laws; and for other purposes.

8 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

9 **SECTION 1.**

10 Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to alternative ad  
11 valorem taxes on motor vehicles, is amended by revising paragraph (1) of subsection (a) of  
12 Code Section 48-5C-1, relating to definitions, exemption from taxation, allocation and  
13 disbursement of proceeds collected by tag agents, fair market value of vehicle appealable,  
14 and report, as follows:

15 "(1) 'Fair market value of the motor vehicle' means:

16 (A) For a used motor vehicle purchased from a new or used car dealer other than under  
17 a seller financed sale arrangement, the average of the current fair market value and the  
18 current wholesale value of a motor vehicle for a vehicle listed in the current motor  
19 vehicle ad valorem assessment manual utilized by the state revenue commissioner and  
20 based upon a nationally recognized motor vehicle industry pricing guide for fair market  
21 and wholesale market values in determining the taxable value of a motor vehicle under  
22 Code Section 48-5-442 retail selling price of the motor vehicle, and, in the case of a  
23 used car dealer, less any reduction for the trade-in value of another motor vehicle;  
24 (B) For a used motor vehicle purchased from a person other than a new or used car  
25 dealer or purchased under a seller financed sale arrangement, the average of the current  
26 fair market value and the current wholesale value of a motor vehicle for a vehicle listed

27       in the current motor vehicle ad valorem assessment manual utilized by the state revenue  
28       commissioner and based upon a nationally recognized motor vehicle industry pricing  
29       guide for fair market and wholesale market values in determining the taxable value of  
30       a motor vehicle under Code Section 48-5-442; provided, however, that, if the motor  
31       vehicle which is not listed in such current motor vehicle ad valorem assessment manual,  
32       the fair market value from the bill of sale or ~~shall be~~ the value from a reputable used car  
33       market guide designated by the commissioner, whichever is greater; and, in the case of  
34       a motor vehicle purchased from a new or used car dealer under a seller financed sale  
35       arrangement, less any reduction for the trade-in value of another motor vehicle;  
36       (C) Upon written application and supporting documentation submitted by an applicant  
37       under this Code section, a county tag agent may deviate from the fair market value as  
38       defined in subparagraph (A), (B), or (D) of this paragraph based upon mileage and  
39       condition of the used vehicle. Supporting documentation may include, but not be  
40       limited to, bill of sale, odometer statement, and values from reputable pricing guides.  
41       The fair market value as determined by the county tag agent pursuant to this  
42       subparagraph shall be appealable as provided in subsection (e) of this Code section;  
43       (D) For a new motor vehicle, the greater of the retail selling price or the average of the  
44       current fair market value and the current wholesale value of a motor vehicle for a  
45       vehicle listed in the current motor vehicle ad valorem assessment manual utilized by  
46       the state revenue commissioner in determining the taxable value of a motor vehicle  
47       under Code Section 48-5-442, less any reduction for the trade-in value of another motor  
48       vehicle and any rebate. The retail selling price shall include any charges for labor,  
49       freight, delivery, dealer fees and similar charges, tangible accessories, dealer add-ons,  
50       and mark-ups, but shall not include any federal retailers' excise tax or extended  
51       warranty, service contract, maintenance agreement, or similar products itemized on the  
52       dealer's invoice to the customer or any finance, insurance, and interest charges for  
53       deferred payments billed separately. No reduction for the trade-in value of another  
54       motor vehicle shall be taken unless the name of the owner and the vehicle identification  
55       number of such trade-in motor vehicle are shown on the bill of sale;  
56       (E) For a motor vehicle that is leased:  
57            (i) In the case of a motor vehicle that is leased to a lessee for use primarily in the  
58            lessee's trade or business and for which the lease agreement contains a provision for  
59            the adjustment of the rental price as described in Code Section 40-3-60, the agreed  
60            upon value of the motor vehicle less any reduction for the trade-in value of another  
61            motor vehicle and any rebate; or

(ii) In the case of a motor vehicle that is leased other than described in division (i) of this subparagraph, the total of the base payments pursuant to the lease agreement plus any down payments.

The term 'any down payments' as used in this subparagraph shall mean cash collected from the lessee at the inception of the lease which shall include cash supplied as a capital cost reduction; shall not include rebates, noncash credits, or net trade allowances; and shall include any upfront payments collected from the lessee at the inception of the lease except for taxes or fees imposed by law and monthly lease payments made in advance; or

(F) For a kit car which is assembled by the purchaser from parts supplied by a manufacturer, the greater of the retail selling price of the kit or the average of the current fair market value and the current wholesale value of the motor vehicle if listed in the current motor vehicle ad valorem assessment manual utilized by the state revenue commissioner and based upon a nationally recognized motor vehicle industry pricing guide for fair market and wholesale market values in determining the taxable value of a motor vehicle under Code Section 48-5-442. A kit car shall not include a rebuilt or salvage vehicle."

## SECTION 2.

Said chapter is further amended by revising division (b)(1)(A)(ii) of Code Section 48-5C-1, relating to definitions, exemption from taxation, allocation and disbursement of proceeds collected by tag agents, fair market value of vehicle appealable, and report, as follows:

"(ii) The combined state and local title ad valorem tax shall be at a rate equal to 7 percent of the fair market value of the motor vehicle; provided, however, that, beginning on January 1, 2020, and continuing through June 30, 2023, such rate shall be equal to 6.6 percent of the fair market value of the motor vehicle."

## SECTION 3.

88 Said chapter is further amended by revising paragraph (15) of subsection (d) of Code  
89 Section 48-5C-1, relating to definitions, exemption from taxation, allocation and  
90 disbursement of proceeds collected by tag agents, fair market value of vehicle appealable,  
91 and report, as follows:

"(15) There shall be no liability for any state or local title ad valorem tax fees in any of the following title transactions:

(A) The addition or substitution of lienholders on a motor vehicle title so long as the owner of the motor vehicle remains the same;

96 (B) The acquisition of a bonded title by a person or entity pursuant to Code  
97 Section 40-3-28 if the title is to be issued in the name of such person or entity;  
98 (C) The acquisition of a title to a motor vehicle by a person or entity as a result of the  
99 foreclosure of a mechanic's lien pursuant to Code Section 40-3-54 if such title is to be  
100 issued in the name of such lienholder;  
101 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity  
102 pursuant to Chapter 11 of Title 40 if such person or entity is a manufacturer or dealer  
103 of motor vehicles and the title is to be issued in the name of such person or entity;  
104 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to  
105 Code Section 40-3-43;  
106 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,  
107 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or  
108 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,  
109 or rebuilder shall submit an affidavit in a form promulgated by the commissioner  
110 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or  
111 to correct a title only;  
112 (G) The obtaining of a title by and in the name of the holder of a security interest when  
113 a motor vehicle has been repossessed after default in accordance with Part 6 of Article 9  
114 of Title 11 if such title is to be issued in the name of such security interest holder;  
115 (H) The obtaining of a title by a person or entity for purposes of correcting a title,  
116 changing an odometer reading, or removing an odometer discrepancy legend, provided  
117 that, subject to subparagraph (F) of this paragraph, title is not being transferred to  
118 another person or entity;  
119 (I) The obtaining of a title by a person who pays state and local title ad valorem tax  
120 fees on a motor vehicle and subsequently moves out of this state but returns and applies  
121 to retitle such vehicle in this state;  
122 (J) The obtaining of a replacement title on a vehicle that is not less than 15 years old  
123 upon sufficient proof provided to the commissioner that such title no longer exists;  
124 (K) The transfer of a title made as a result of a business reorganization when the  
125 owners, partners, members, or stockholders of the business being reorganized maintain  
126 the same proportionate interest or share in the newly formed business reorganization;  
127 (L) The transfer of a title from a company to an owner of the company for the purpose  
128 of such individual obtaining a prestige or special license plate for the motor vehicle;  
129 and  
130 (M) The transfer of a title from an owner of a company to the company; and  
131 (N) The transfer of a title from one legal entity in which an individual holds an  
132 ownership interest of at least 50 percent to another legal entity in which the same

133 individual holds an ownership interest of at least 50 percent, provided that the  
134 alternative ad valorem tax imposed by this chapter has been levied on such motor  
135 vehicle and has been paid by the transferring entity or such individual."

## SECTION 4.

137 Said chapter is further amended by revising subparagraph (d)(17)(A) of Code  
138 Section 48-5C-1, relating to definitions, exemption from taxation, allocation and  
139 disbursement of proceeds collected by tag agents, fair market value of vehicle appealable,  
140 and report, as follows:

141       "(A) Any person who purchases a 1963 through ~~1985~~ 1989 model year motor vehicle  
142       for which such person obtains a title shall be subject to this Code section, but the state  
143       title ad valorem tax fee shall be in an amount equal to 0.5 percent of the fair market  
144       value of such motor vehicle, and the local title ad valorem tax fee shall be in an amount  
145       equal to 0.5 percent of the fair market value of such motor vehicle."

## SECTION 5.

147 This Act shall become effective on January 1, 2020.

## SECTION 6.

149 All laws and parts of laws in conflict with this Act are repealed.